

“Deep Equity Program”
for Conventional Loans with less than 80% LTV

Guidelines for a “Deep Equity” Program (loans with less than 80% LTV):

1. All borrowers and properties must meet the criteria for the regular bond mortgage program.
2. All borrowers must complete homebuyers education and consent to early foreclosure prevention counseling
3. At least 20% of the down payment must come from the borrower’s own cash resources, which can include gifts from family members or trust funds. Written documentation of the source of the funds must be submitted to verify source(s) of funds.
4. Lenders must process applications through DU or LP using Fannie Mae or Freddie Mac underwriting criteria, and must submit a copy of the underwriting approval report prior to approval of the loan reservation.
5. Lenders must submit an original comprehensive interior/exterior appraisal prior to approval of the loan reservation.
6. Loans should be ineligible for loan guarantees from alternate sources, such as RD or VA. (FHA won’t do loans with less than 80% LTV).
7. Approval will be done on a case-by-case basis, taking into account the housing situation of the borrower, the borrower’s credit/debt figures, and the appraisal of the property.
8. Staff has the authority to require a home inspection on a case-by-case basis.

MONTANA BOARD OF HOUSING -DEEP EQUITY RESERVATION FORM

*DATE:

*LOAN AMOUNT

*INT RATE

*REQUIRED FIELD

*LENDER:

*LENDER/SERVICER#:

BORROWER:

*FIRST
NAME:

MIDDLE
INITIAL:

*LAST
NAME:

*SOCIAL
SECURITY #:

DATE
OF BIRTH:

*AGE:

*SEX:

*ETHNICITY:

*MARITAL
STATUS:

SINGLE
PARENT:

OCCUPATION:

CO-BORROWER

*FIRST
NAME:

MIDDLE
INITIAL:

*LAST
NAME:

*SOCIAL
SECURITY #:

*SEX:

*MARITAL
STATUS:

SINGLE
PARENT:

PROPERTY

*PURCHASE
PRICE:

*ACQUISITION
COST:

*NEW/EXISTING/REHAB:

*HOUSING TYPE:

PROPERTY ADDRESS

*HOUSE
#:

*STREET
NAME:

UNIT
#:

*CITY:

*ZIP:

*COUNTY:

TARGETED:

ANNUAL INCOME

*BORROWER
WAGES:

FROM
ASSETS:

OTHER:

SUBTOTAL:

*CO-BORROWER
WAGES:

FROM
ASSETS:

OTHER:

SUBTOTAL:

NON-APPLICANT INCOME:

TOTAL:

HOUSEHOLD

*HOUSEHOLD
SIZE:

*PRIOR
HOMEOWNER:

LENDER SIGNATURE: _____

LENDER NAME:

PHONE #:

FAX #:

RESERVATION #: _____

COMMITMENT DATE: _____

COMMITMENT EXP. DATE: _____

APPROVED BY MBOH

DATED

The Montana Board of Housing hereby confirms the Mortgage Lender's request for a reservation of funds for the above Reservation Loan Amount subject to the terms and conditions of the applicable Homeownership Mortgage Bond Program and the attached page two

AMENDMENTS

(To be completed by Lender)

The Mortgage Lender hereby requests an extension of time to deliver the above mortgage loan to _____ (insert date). The Lender understands the purchase price of such loan shall be discounted 1/4 of 1% for each 30 day extension granted. This extension fee shall be paid only by the Lender.

The Mortgage Lender hereby requests an increase/decrease in the Reservation Loan Amount. The corrected loan amount is \$ _____.

APPROVED BY MBOH _____

DATED _____

Borrowers Name: _____

Co-Borrower: _____

Reservation Package Check List:

1. ___ Original copy of FHA appraisal
2. ___ Copy of LP Feedback/DU Findings report (no manual underwriting)
3. ___ Copy of URLA (1003)
4. ___ Completed reservation form
5. ___ Documentation of source(s) of all down payment funds
6. ___ Homebuyer Education Certificate
7. ___ Case-by-case basis home inspection

MBOH RESERVATION/COMMITMENT APPROVAL IS SUBJECT TO THE FOLLOWING BEING SATISFIED:

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.
- 8.
- 9.